

Eleventh Annual General Meeting (“11<sup>th</sup> AGM”) of Pavilion Real Estate Investment Trust (“Pavilion REIT”) held on 22 March 2023 at 10.00 a.m. (“11<sup>th</sup> AGM”)

Questions and Answers at the 11<sup>th</sup> AGM of Pavilion REIT

No.	Comments/Questions raised by Unitholders / Proxy Holders	Responses/Answers from the Chairman/Chief Executive Officer
1.	<p>a) There were 5 out of 12 directors absent from today’s meeting. Are there any reasons for their non attendance as it is only once a year we are able to meet them? In future please ask them to be present unless there are special circumstances</p> <p>b) For the assets under Pavilion REIT including Pavilion Bukit Jalil provided the acquisition is completed, how many parking bays are there and the timeline for installation of EV charging ports?</p>	<p>Directors who do not attend have their own reasons. The sentiments of unitholders for expecting all directors to be presented in AGM will be conveyed to all directors.</p> <p>Currently, there are 2,300 parking space in Pavilion Kuala Lumpur, and 4,800 parking space in Pavilion Bukit Jalil. The Management is evaluating a few proposals to compare the level of charging, equipment costs and the costs to be charged to the public. Implementation is expected to be next year.</p> <p>The Management is also aware that more EVs are coming into the market. An operator has proposed a station with 10-20 EV charging port which is more than most stations which mostly have 2-5 EV charging ports.</p>
2.	<p>a) There were articles showing that Pavilion REIT has a ESG rating of 3 out of 4. What is missing?</p>	<p>The Management is aware of the ESG scores and has been concentrating to improve ESG for 2022. One of the targets is for Pavilion REIT to be included in FTSE4Good Bursa Malaysia Index. Pavilion REIT do not qualify under the liquidity test as there is insufficient trading to create liquidity in the market.</p> <p>The Management is hoping to get the resolutions passed in the Unitholders’ Meeting to increase public spread thus hoping for more trading to qualify for inclusion in the FTSE4Good Bursa Malaysia Index in terms of the liquidity test.</p> <p>The ESG Initiatives are important to the Board and a lot of effort is being put in the ESG initiatives.</p>

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2.	<p>b) Electricity tariffs will be increasing. In 2020 and 2021 were there any rebates for electricity? Moving forward, how will the tariffs hike affect the net income of the REITs?</p>	<p>In 2022 the electricity surcharge is low. The rebates have been discontinued.</p> <p>The electricity surcharge for 2023 has increased and most commercial properties including the malls are paying higher electricity bills. The industry players have recommended to the Government for a review. The current surcharge is for a period of 6 months and will have an impact on the net income of the REIT.</p>
3.	<p>a) The Unitholder congratulated the Management for generally a great job done with a credible track record. The only issue is a non performing asset which is less than 5% of the portfolio value.</p> <p>What has gone wrong that there is a write down of 50% in value of the asset?</p> <p>What didn't go according to your plan since the acquisition?</p> <p>What is the turn - around plan for this asset and hopefully to recover the RM500 million value?</p>	<p>We do have a plan. We recognise that this asset requires more attention and has not performed as the Manager wish it had. It will take time for the plan to yield its results. The intention is to improve the performance of the mall and recover the value. We will do our very best to build back the asset.</p> <p>During Covid-19 pandemic period, the Management noticed the mall performed better than the city malls due to the habits of people in terms of travelling. During 2022, the Management has conducted 6-12 months surveys and noticed few things that needed to be done.</p> <p>As the mall has a limited space of 420,000 sq ft it is not possible to have a “one stop” shopping experience. The Management has taken the decision to come out with a Master Plan that concentrate/specialise only on 3 segments ie F&amp;B &amp; Entertainment and Education.</p> <p>The current occupancy rate is 73-74% and the targeted occupancy is at 80-90%. Management will continue to strengthen the mall's positioning.</p>

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3.	b) Has the Management considered the traffic condition re access/exit to Damen Mall which is in a very congested area.	<p>The Management is aware that the congestion issue is one of the factors that has affected the mall. We are monitoring the situation very closely as we understand that the local council has proposed a flyover to ease the traffic at Jalan Kewajipan.</p> <p>The Management has been working with the local council for the past few years to help push the program through to speed up the process of building the flyover. Once the flyover is completed the traffic will be much better.</p>
4.	<p>a) How is the foot fall of Pavilion Kuala Lumpur compared to pre covid over the past few months</p> <p>b) Please share the foot fall of Pavilion Bukit Jalil compared to Pavilion Kuala Lumpur in terms of numbers of visitors</p>	<p>Pavilion Kuala Lumpur is back to pre-covid numbers with 30-33 million visitations in 2022. This is very good in view that majority of tourists have still not returned.</p> <p>According to the latest statistics, Pavilion Bukit Jalil has registered 1.4 - 1.5 million visitations per month, which is also a satisfactory performance in view that the mall has just opened.</p>
5.	a) In view that the rental business is one of the key contribution areas, most of the businesses depending on local consumers. How much do domestic & foreign tourism contribute to the business? Does foreign tourism have an impact on business and how much?	For Pavilion Kuala Lumpur, 70% of visitors are locals and 30% are tourists. Management does not have numbers of sales contribution respectively from local and foreign tourists as the sales numbers given by tenants do not segregate between Malaysians and tourists.

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6.	a) Is there a customer complaint portal?	<p>All Pavilion REIT malls have concierge/customer services which is open from 10am to 10 pm for visitors to lodge complaints and dissatisfactions. The complaints filed are reviewed daily by the Manager.</p> <p>In addition, visitors can also write in through the individual mall’s portal.</p> <p>Customer complaints and suggestions are important to us and are taken seriously.</p>